


Department of Medical Assistance Services
600 East Broad Street
Suite 1300
Richmond, Virginia
23219

MEDICAID MEMO

MEMO	Special
DATE	8-1-96

TO: All Participating Providers Billing for Medicare Parts A or B

FROM: Joseph M. Teefey, Director
Department of Medical Assistance Services

SUBJECT: Medicaid Payment of Medicare Parts A and B Coinsurance

The purpose of this memorandum is to advise you of changes in Medicaid policy which affect Medicaid's payment of the Medicare Parts A and B coinsurance. **These changes are effective with dates of service on and after July 1, 1996.** The specific change for each type of coinsurance is explained below. The Department of Medical Assistance Services (DMAS) will reprocess any Title XVIII claims paid or denied in error for dates of service on and after July 1. This change will require no additional action by providers.

PROVIDER REQUIRED TO BILL MEDICARE PART B

The Medicaid payment of Medicare Part B coinsurance will no longer be limited to the difference between Medicaid's maximum fee for a procedure and 80% of Medicare's allowance. Medicaid will no longer reduce or deny the coinsurance payment because the combined payments by Medicare and Medicaid exceed Medicare's allowed charge for the billed procedure. Medicaid will pay in full the coinsurance as determined by Medicare. This change affects both automatic crossover and Title XVIII claims submitted on paper.

NURSING FACILITIES BILLING FOR MEDICARE PART A

The Medicaid payment for Medicare Part A coinsurance will no longer be limited to the Medicaid maximum. Medicaid will no longer reduce or deny the coinsurance payment because the combined payments of Medicare and Medicaid exceed the Medicaid per diem rate for the specific nursing facility in which the Medicare/Medicaid recipient resides. Medicaid will pay in full the coinsurance as determined by Medicare. Medicaid will continue to pay the Medicare Part A deductible amount as determined by Medicare.

This change in policy will require that billings reflect the appropriate patient payment on all invoices to Virginia Medicaid.

OUTPATIENT REHABILITATION PROVIDERS BILLING FOR MEDICARE PART B

Medicaid will no longer deny the Medicare Part B coinsurance and deductible amounts for rehabilitation services provided to Medicare/Medicaid recipients residing in a nursing facility.

(over)

Medicaid Memorandum: Special

August 1, 1996

Page 2

"HELPLINE"

The "HELPLINE" is available Monday through Friday from 8:30 a.m. to 4:30 p.m., except State holidays, to answer questions. The "HELPLINE" numbers are:

786-6273

Richmond Area

1-800-552-8627

All Other Areas

Please remember that the "HELPLINE" is for provider use only.